

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

09 - 13

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH FINANCING ADMINISTRATION  
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
October 1, 2009

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 447,302

7. FEDERAL BUDGET IMPACT:

a. FFY 2010 \_\_\_\_\_ \$ -0-

b. FFY 2011 \_\_\_\_\_ \$ (26,195,418.00)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-B, page 6d

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  
Attachment 4.19-B, page 6d

10. SUBJECT OF AMENDMENT:

Public Clinic Services Reimbursement

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:  
Stephen Fitton

14. TITLE:  
Director, Medical Services Administration

15. DATE SUBMITTED:  
December 29, 2009

16. RETURN TO:

Medical Services Administration  
Program/Eligibility Policy Division - Federal Liaison Unit  
Capitol Commons Center - 7<sup>th</sup> Floor  
400 South Pine  
Lansing, Michigan 48933

Attn: Nancy Bishop

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

12/29/09

18. DATE APPROVED:

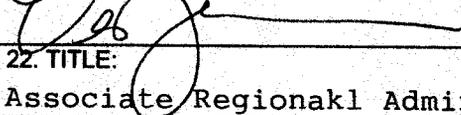
MAR 10 2010

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

10/1/09

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates  
(Other than Inpatient Hospital and Long Term Care Facilities)***

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15. Public Clinic Services

Reimbursement for Public Clinic Services, other than dental services, is at reasonable and allowable full costs as described below.

The methodology for achieving full cost reimbursement is fee for service billings which are subsequently cost settled. To participate in this methodology, qualified providers must supply the Program with a Medicaid cost report which lists medical costs, revenue, and encounters for services covered by this section. Based on the Medicaid cost report, a provider specific encounter rate is determined and used to make initial full-cost payments which are made on a quarterly basis, as applicable.

Annual cost settlements are performed to ensure that the initial payments were made at reasonable and allowable full cost. As necessitated by the cost settlement process, any financial adjustments are made with the provider. The settlements are performed for each public clinic and for each fiscal year which ends after April 1, 1991.

A combination of local funds and state general funds provides the basis for reimbursing providers and for claiming federal financial participation in expenditures made pursuant to this section, per 42 CFR 433.

Reasonableness and allowability of costs is determined by use of the applicable Medicare cost reimbursement principles detailed in 42 CFR 413.

The reimbursement methodology described above will end September 30, 2010.

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TN NO.: 09-13

Approval Date: MAR 10 2010

Effective Date: 10/01/2009

Supersedes  
TN No.: 98-10

MAR 10 2010

Stephen Fitton, Director  
Medical Services Administration  
Federal Liaison Unit  
Michigan Department of Community Health  
400 South Pine  
Lansing, Michigan 48933

ATTN: Nancy Bishop

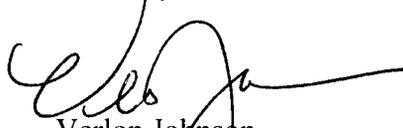
Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal #09-13 Establishes an end date for the current Public Clinic Services reimbursement methodology.
- Effective October 1, 2009

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or [Leslie.Campbell@cms.hhs.gov](mailto:Leslie.Campbell@cms.hhs.gov).

Sincerely,



Verlon Johnson  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure